Executive Summary

Real gross domestic product (GDP), an inflation-adjusted measure of the total output of goods and services produced in the United States, declined by 0.2 percent in the first quarter of FY02. The already-weak economy was dealt a further blow by the terrorist attacks of September 11. Consumer spending, which accounts for two-thirds of real GDP, rose by only 1.9 percent in the first quarter. Total investment spending comprises close to a fifth of GDP and is sensitive to both interest rates and future expansion opportunities. Overall the investment component of GDP decreased by 2.1 percent. This was most severe in business investment, particularly in computers and software.

Kentucky's personal income is estimated to reach $101.7 billion in the first quarter of FY02, an increase of 2.9 percent from a year ago. Meanwhile, U.S. personal income rose 3.1 percent during the same period. Wages and salaries, a little over half of personal income, is estimated to have grown by 3.2 percent in Kentucky. Nonagricultural employment in Kentucky is estimated to have increased by 16,100 jobs in the first quarter, resulting in growth of 0.9 percent. Leading the way in employment growth were the wholesale and retail trade (up 3.3 percent) and services (up 4.9 percent) sectors.

General Fund revenues for the first quarter of FY02 exhibited fairly weak growth over the first quarter of FY01. Receipts in the first quarter totaled $1,561.2 million compared to $1,548.2 million received in the first quarter the previous fiscal year. The resulting growth rate was 0.8 percent. As usual, variations in the quarterly receipts are affected by differences in the timing of payments into revenue accounts. In the first quarter, corporation and individual income taxes were affected to a degree by these timing differences.

Total sales and use tax receipts for the quarter exhibited fairly moderate growth of 3.6 percent. Individual income taxes barely registered a growth rate, of 0.3 percent compared to a growth rate of 8.1 percent for the first quarter last year. Corporation income tax receipts fell sharply by 16.8 percent. The coal severance tax on the other hand surged in the first quarter, rising 21.1 percent from the previous year. Property taxes rose in the first quarter, up 3.5 percent. The lottery declined by 3.8 percent during the first quarter. The "all other" category fell by 1.6 percent, due to declines in the investment income.

The Road Fund experienced a moderate decline in the first quarter of FY02, down 2.5 percent from the prior year. Receipts totaled $261.7million and compare to $268.3 million during the first quarter of last year. Motor fuels tax receipts fell at a rate of 0.8 percent during the first quarter. The motor vehicle usage tax declined by 2.0 percent from the first quarter of last year. Weight distance tax receipts dropped by 1.5 percent over receipts during the first quarter of FY01. The remainder of the Road Fund accounts combined for a decrease of 9.0 percent from a year earlier.

General Fund revenues are anticipated to total $5,159.3 million in the final three quarters of FY02, yielding a growth rate of 1.0 percent over the same period a year ago. For the entire fiscal year, total General Fund collections are expected to grow 1.0 percent, with total revenues of $6,720.5 million. Sales and use tax receipts are estimated to grow by 2.2 percent in the final three quarters of FY02. The interim forecast for the individual income tax calls for growth for the entire year of 0.3 percent. The outlook for the corporation income tax and corporate license tax combined projects a decline of -3.5 percent in the final three quarters of FY02.

Overall for this fiscal year, coal severance taxes are projected to rise by 14.8 percent. Total growth for property taxes for the fiscal year is expected to be 1.3 percent. For the entire fiscal year, lottery revenues should rise by 7.6 percent from the previous fiscal year. The “all other” category should fall by 2.4 percent in the final three quarters of the fiscal year.

Road Fund revenues are expected to fall by 2.2 percent in the final three quarters. For the entire fiscal year, revenues should register a decline of 2.3 percent, totaling $1,039.8 million. The combined total of motor fuels normal, heavy vehicle fuel surtax, and motor fuels normal use tax is estimated to grow by 0.9 percent for the entire fiscal year. Motor vehicle usage taxes are expected to decline by 0.8 percent for FY02.

Based on the latest evaluation, license and privilege taxes are expected to increase by 2.4 percent. The weight distance tax and surcharge are estimated to decrease by 0.7 percent from a year ago. Toll income is estimated to rise 3.2 percent from a year ago. All other Road Fund sources are estimated to fall dramatically by 82.4 percent from FY01 due primarily to lower balances yielding less investment income.

**The state's fiscal year, which begins on July 1, will be used as the time frame throughout this report, i.e., the first quarter of FY2002 covers the July-September 2001 period.*

The Economy

NATIONAL ECONOMY

First Quarter, FY02

The U.S. economy had slowed down considerably in the previous quarter, but the hope was that the economy could avoid a decline in output. The terrorist attacks in September have precipitated events and plunged the economy into a recession. The question now is the severity of the recession.

Real gross domestic product (GDP) is an inflation-adjusted measure of the total output of goods and services produced in the United States. Real GDP is estimated to have declined 0.2 percent in the first quarter.[1] This is the first decline in U.S. output since the January to March quarter of 1993. The general slowdown in the economy had been apparent for close to 10 months. A year ago real GDP growth had been just 1.3 percent, and had tapered off in successive quarters. But the use of aggressive monetary policy by the Fed was thought to be enough to turn the tide. However, the terrorist attacks on September 11 and the ensuing decline in consumer confidence is thought to have tipped the balance towards an economic contraction.

Immediately after the attack on September 18 the Fed cut the funds rate for the eighth time this calendar year to 3.0 percent. But merely lowering the short-term interest rate was not enough to restore consumer confidence.

Consumption accounts for about two-thirds of real GDP. Total real consumption increased by 1.9 percent in the first quarter, compared to 2.5 percent in the previous quarter and 4.3 percent a year ago. Historically, a similar increase in consumption occurred in the first quarter of FY98, but that was preceded by strong growth and was immediately followed by a 6.6 percent increase in consumption. This time around that scenario is extremely unlikely. Durable goods were hit especially hard with an increase of just 0.6 percent. Within this broad category motor vehicles posted a steep decline of 2.5 percent after having grown strongly by 5.7 percent in the previous quarter. Consumption of other durable products was also down in spite of low interest rates. Consumption of nondurable goods was up 2.4 percent. This category includes essentials like clothing and energy and shows some growth even in times of crisis. Services comprise over half of all consumption and were up 2.3 percent.

Total investment comprises close to a fifth of real GDP and is usually sensitive to both interest rates and future expansion opportunities. Overall, the investment component of GDP declined by 2.1 percent—the seventh successive quarterly decline. The decline was the most severe in the nonresidential fixed investment area which

[1] The data for the July to September quarter is preliminary and subject to revision.

dropped by 9.7 percent. Investment in computers and software continued to drop off at a remarkable rate (down 11.6 percent) as businesses downsized in terms of both employees and office equipment. The only investment category that posted an overall gain was residential structures. Low interest rates have managed to keep many builders busy supplying the residential market.

Government spending constitutes 17 percent of GDP and was up by 4.2 percent. Most of the gain was in Federal government spending and was directly linked to expenditures sanctioned following the terrorist attack.

Industrial production dropped for the fourth successive quarter, declining by 5.1 percent in the first quarter of FY2002. All major areas of production were down with the exception of the automobile sector which was up 12.1 percent. Output of business related goods was down 7.0 percent, and even consumer goods declined by 0.4 percent. Much of this is a result of consumer confidence sliding into recession territory. The University of Michigan Consumer Sentiment index for the first quarter was at 86.5 compared to 107.5 a year ago. The cause of the latest drop appears to be more related to the deteriorating job market than to the September 11 terrorist attacks per se. But the attacks did cause most of the highly publicized job cuts that have disheartened consumers.

Overall production in the manufacturing sector was down 4.2 percent, compared to an increase of 3.7 percent a year ago. Factory capacity utilization was in recessionary territory at just 75.3 percent.

Personal income, a measure of spending power was $8,785.1 billion in the first quarter, for an annualized increase of 3.1 percent over the previous quarter. Just a year ago personal income growth was 5.5 percent buoyed mainly by a strong job market, even though the stock market had declined precipitously.

The unemployment rate in the first quarter averaged 4.9 percent—the highest in four years. The rate of inflation as measured by the consumer price index was just 1.2 percent. The drastic drop in inflation resulted from a plunge in energy prices in the face of decreased world demand. The “core” rate of inflation which excludes food and energy was up 2.6 percent.

Total nonagricultural employment averaged 132.3 million jobs in FY02:1, a decline of 0.6 percent from the previous quarter. The slide in employment portrays a cooling economy. Employment plunged by 199,000 in September and is down 488,000 jobs since its peak in March 2001. The dismal showing in September was only minimally influenced by the terrorist attacks, although the survey was taken the week of September 10-14. Anyone who worked on Monday or was paid for any part of the week was counted as employed.

Manufacturing employment was down 0.4 percent. The decline was in all sectors with the exception of tobacco products. The worst hit sectors were electrical machinery (down 18.5 percent), furniture and fixtures (down 13.7 percent), and apparel (down 10.2 percent). Retail trade (up 0.9 percent), services (up 0.8 percent) and construction (up 0.2 percent) reported growth.

STATE ECONOMY

Personal income is the broadest measure of a state's economic performance. Kentucky's personal income is estimated to be $101.7 billion for the first quarter of FY02, an increase of just 2.9 percent from a year ago. U.S. personal income grew by 3.1 percent during the same period. Wages and salaries constitute a little over half of personal income. Income derived from wages and salaries is estimated to have grown by 3.2 percent in FY02:1, compared to 2.7 percent nationally. The relatively faster rate of increase in Kentucky's wage and salary income is because the state economy had slowed down last year and the growth of 3.2 percent is from a relatively low base.

Employment data is commonly used to gauge the strength of the state's economy, primarily because of its timely availability and its impact on consumer spending and confidence. Nonagricultural employment in Kentucky is estimated to have increased by 16,100 jobs in the first quarter of FY02, resulting in a growth of 0.9 percent. This is a fairly low level of job growth. In the previous quarter Kentucky had added 21,600 jobs. The rate of growth however, is slightly higher than the growth of 0.3 percent nationally.

Most of the employment growth came from the service sector which grew by a robust 4.9 percent. The largest increase in employment was in the area of business services with the addition of 6,400 jobs or a gain of 6.1 percent. Hotels and lodging posted the largest percentage increase, 6.5 percent, with a gain of 1,100 jobs. (Again, it is important to realize that these declines do not take into account the events of September 11 since the data were collected before that.)

The trade sector, which includes both retail and wholesale trade, and construction were the other two sectors that showed gains during the first quarter. Within retail trade the largest gain was for automobile dealers. Construction, up just 0.6 percent, was dependent on heavy construction like highway and streets, to keep it growing. In spite of low mortgage rates residential construction employment in Kentucky was flat.

The largest decline in employment was in manufacturing with a loss of 13,500 jobs in the July to September quarter. According to preliminary data from August it's not just employment that has declined: average weekly hours have slipped by 3.1 percent to 40.8 hours. The largest drop in employment was in the relatively high paying durable goods sector (down 5.6 percent). The decline in employment was across the board from furniture to tobacco products to chemicals to apparel. The single exception was the food products industry which posted a slight gain of 1.1 percent.

Kentucky's financial sector is relatively small and accounts for just 4.2 percent of total nonagricultural employment. With an estimated loss of 5,000 jobs in the first quarter this sector posted the largest percentage decline in employment, 6.5 percent.

***Data for first quarter FY02 U.S. economic activity are derived from estimates made by DRI/McGraw Hill Control Senario, September 2001.*

Table 1
National Economic Indicators
First Quarter, FY2001

	2000:03:00 FY01:1	2001:02:00 FY01:4	2001:03:00 FY02:1*	SAAR** FY01:4 to FY02:1	FY01:1 to FY02:1 Percent Change
Real GDP (billion 1996 $)	9,260.1	9,338.4	9,334.6	-0.2	0.8
Personal Income (billion $)	8,381.5	8,718.1	8,785.1	3.1	4.8
Real Disposable Income (billion 1992 $)	6,566.5	6,719.0	6,908.0	11.7	5.2
Consumer Price Index (annual percent change)	3.5	3.1	1.2	-	-
Industrial Production (annual percent change)	3.5	-4.2	-5.1	-	-
Civilian Labor Force (millions)	140.7	141.5	141.6	0.3	0.6
Total Nonagricultural (millions)	131.9	132.5	132.3	-0.6	0.3
Employment (millions)					
Manufacturing (millions)	18.5	18.5	18.5	-0.4	-0.2
Employment (millions)					
Unemployment Rate (percent)	4.0	4.5	4.9	-	-

Sources: DRI-WEFA, and U.S. Dept. of Commerce, Bureau of Economic Analysis.

* Data for FY02:1 are September 2001 estimates.

** Seasonally adjusted annual percent growth rate.

Table 2
Selected Kentucky Economic Indicators
Seasonally Adjusted Data
(Thousands)

	FY01:1	FY02:1	Change	Percent Change
Total Personal Income ($ millions)	98,816	101,722	2,906	2.9
Wage & Salary Income ($ millions)	55,529	57,314	1,785	3.2
Total Nonagricultural Employment	1,823.1	1,839.2	16.1	0.9
Mining	19.4	19.1	-0.3	-1.5
Construction	85.7	86.2	0.5	0.6
Manufacturing	321.5	308.0	-13.5	-4.2
Transportation, Communication & Public Utilities	109.0	108.0	-1.1	-1.0
Trade	430.0	444.0	14.0	3.3
Finance, Insurance, and Real Estate	76.7	71.8	-5.0	-6.5
Services	470.2	493.5	23.3	4.9
Government	310.6	308.7	-1.9	-0.6

Note: Numbers may not add up due to rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

GOEA's Macromodel of Kentucky Forecast, September 2001.

Workforce Development Cabinet

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Revenue Receipts

FIRST QUARTER, FY2002

General Fund

The first quarter of FY02 exhibited extremely weak growth over the first quarter of FY01. Receipts in the first quarter totaled $1,561.2 million compared to $1,548.2 million received in the first quarter of FY01. The resulting growth rate was 0.8 percent. Collections in the major revenue categories are shown in summary form in Table 3. Detailed information on these and other accounts is available in the Appendix.

Table 3
Summary General Fund Receipts
First Quarter, FY2002
(Millions of Dollars)

Type Tax	FY02	FY01	Percent Change
Sales and Use	577.7	557.4	3.6
Individual Income	683.1	681.3	0.3
Corporation Income	72.5	87.1	-16.8
Coal Severance	42.1	34.7	21.1
Property	38.8	37.5	3.5
Lottery	39.0	40.5	-3.8
All Other	108.0	109.7	-1.6
TOTAL	**1,561.2**	**1,548.2**	**0.8**

As usual, variations in the quarterly receipts are affected by differences in the timing of payments into revenue accounts. Both corporate and individual income taxes were impacted by timing differences due to the payment schedules for refunds.

Total sales and use tax receipts for the quarter were $577.7 million, compared to $557.4 million in the first quarter of FY01. The resulting growth rate of 3.6 percent was only slightly lower than expectations. However, the growth rate for sales and use tax receipts continues to be an area of concern both from statutory changes that impact the base and economic influences that affect performance.

Individual income tax posted receipts of $683.1 million compared to last year's first-quarter receipts of $681.3 million. The resulting growth rate was a very small 0.3 percent compared to a growth rate of 8.1 percent for the first quarter of last year.

Corporation income tax receipts decreased significantly in the first quarter of FY02 based in part on lower than expected declaration payment receipts. Revenues of $72.5 million were 16.8 percent lower than year-earlier figures of $87.1 million.

Coal severance tax has staged a significant reversal from recent trends. First quarter receipts were up 21.1 percent posting the first significant quarterly increase in many years. Collections of $42.1 million compare to the FY01 first-quarter total of $34.7 million.

Property tax receipts posted a 3.5 percent increase over the first quarter of a year ago. FY02 first-quarter receipts of $38.8 million compare with $37.5 million from the first quarter of FY01.

Lottery receipts were $39.0 million, down 3.8 percent from last year's first-quarter total of $40.5 million. Distributions from the lottery are influenced significantly by the size of the 'jackpot' during the quarter.

The "all other" category, which represents the remaining accounts of the General Fund, decreased slightly by 1.6 percent in the first quarter. First-quarter receipts for FY02 were $108.0 million and compare to $109.7 million in FY01.

Road Fund

The Road Fund continued its recent downward trend with a decline in the first quarter of FY02 of 2.5 percent compared to the first quarter of FY01. Receipts totaled $261.7 million and compared to $268.3 million from the first quarter of last year. Summary data are contained in Table 4 and detailed data are shown in the Appendix.

Motor fuels tax receipts decreased at a rate of 0.8 percent during the first quarter. Receipts were $107.2 million and compare to $108.8 million collected during the first quarter of last year.

Motor vehicle usage tax also decreased in the first quarter, with receipts down by 2.0 percent. Receipts during the first quarter of FY02 totaled $102.0 million and compare to $104.1 million collected during the same period last year.

Weight distance tax receipts of $19.1 million represent a 1.5 percent decrease over receipts of $19.4 million during the first quarter of FY01.

The remainder of the accounts in the Road Fund combined for a decrease of 9.0 percent from a year earlier. In the "all other" category revenues of $33.4 million were down from $36.7 million in the first quarter of FY01.

Table 4
Summary Quarterly Report - Road Fund
First Quarter, FY2002

Type Tax	FY02	FY01	Percent Change
Motor Fuels	107.2	108.8	-0.8
Motor Vehicle Usage	102.0	104.1	-2.0
Weight Distance	19.1	19.4	-1.5
All Other	33.4	36.7	-9.0
TOTAL	**261.7**	**268.3**	**-2.5**

Revenue Outlook

REVENUE OUTLOOK: Interim Forecast

The interim estimates of the General Fund and Road Fund do not represent a revision of the official revenue estimates of the Consensus Forecasting Group. The interim estimates are prepared independently by the Governor's Office for Economic Analysis within the Office of State Budget Director. In compliance with KRS 48.400, the estimates for the final three quarters of FY02 are presented.

General Fund

Projected General Fund revenues for the next three quarters are shown in Table 5. General Fund revenues are anticipated to total $5,159.3 million in the final three quarters of FY02, yielding a growth rate of 1.0 percent over the same period a year ago. For the entire fiscal year, total General Fund collections are expected to grow 1.0 percent, with total revenues of $6,720.5 million.

Sales and use tax receipts are estimated to grow by 2.2 percent in the final three quarters of FY02. Year-to-date growth in sales and use tax revenue has been 3.6 percent. Expectations are for this tax to slow considerably in the final two quarters of FY02 due to completion of phase-in of a base expansion to cover interstate long-distance telephone calls.

The interim forecast for the individual income tax calls for growth in the remaining three quarters to slow to 0.3 percent. Growth in the first quarter was also just 0.3 percent. As a result, revenues for the fiscal year should total $2,786.9 million, a growth rate for the entire year of 0.3 percent.

The outlook for corporation income and license taxes projects a decline of 3.5 percent in the final three quarters of FY02. In the first quarter, these two revenue sources dropped by 13.9 percent. Some stabilization is expected in the upcoming quarters, but overall for the fiscal year, the corporation income and license taxes are estimated to fall by 5.9 percent yielding $411.6 million.

Coal severance tax revenue rose sharply in the first quarter of FY02, but this is expected to moderate some in the upcoming months. For the remaining three quarters of the fiscal year, coal severance tax receipts should rise by 12.8 percent. Overall for the fiscal year, revenues should rise 14.8 percent for a total of $162.5 million.

Property taxes were just ahead of schedule in the first quarter. Following the increase of 3.5 percent, revenues for the remainder of the fiscal year are expected to grow by 1.1 percent, leading to overall revenue growth for FY02 of 1.3 percent, and revenues of $412.7 million.

Lottery revenues for the remaining three quarters of FY02 are projected to rise by 11.6 percent. This increase is due to larger-than-anticipated sales from the Powerball game. Total lottery revenues for the entire fiscal year should be $169.0 million, an increase of 7.6 percent from the previous fiscal year.

Revisions to the “other” category included reduction in anticipated investment income, and in the circuit court clerk traffic fines. The outlook for inheritance taxes was raised, largely offsetting the reductions. Year-to-date, “other” taxes and non-tax receipts are off 2.4 percent. This trend is expected to continue, with total “other” collections declining by 2.4 percent for the remainder of the fiscal year. Total revenues should therefore equal $471.7 million.

Road Fund

The Road Fund in the first quarter of FY02 fell by 2.5 percent as shown in Table 6. The economic turmoil of recent months has led to a decline in auto and gasoline purchases, two of the largest revenue sources to the Road Fund. The projection for the remaining three fiscal quarters is for further declines of 2.2 percent. For the entire fiscal year, the Road Fund should be down 2.3 percent, with a total of $1,039.8 million.

The combined total of motor fuels normal, heavy vehicle fuel surtax, and motor fuels normal use tax is estimated to rise by 2.2 percent in the final three quarters and by 0.9 percent for the fiscal year, with revenues of $428.1 million.

Motor vehicle usage taxes are expected to decline by 0.4 percent in the remainder of the fiscal year. For the entire FY02, revenues should fall by 0.8 percent and yield $393.6 million.

To estimate growth of all other components of the Road Fund, Transportation Cabinet officials assessed the growth patterns of FY01 as well as administrative factors in developing an updated estimate. Based on the latest evaluation, license and privilege taxes are expected to rise 2.4 percent for the fiscal year, with total revenues of $97.8 million. “Other” revenues are projected to decline sharply, based on reduced investment income

Table 5
General Fund: Interim Forecast
(millions of dollars)
The Following Table is Produced in Compliance with KRS 48.400
October 2001

	FY02 Quarter 1		FY02 Quarters 2, 3, & 4		FY02 Full Year	
	Actual	% Chg Year Ago	Interim Estimate	%Chg Year Ago	Interim Estimate	% Chg Year Ago
Sales & Use	577.7	3.6	1,728.4	2.2	2,306.1	2.6
Individual Income	683.1	0.3	2,103.8	0.3	2,786.9	0.3
Corp. Income & License	86.1	-13.9	325.5	-3.5	411.6	-5.9
Coal Severance	42.1	21.1	120.4	12.8	162.5	14.8
Property	38.8	3.5	373.9	1.1	412.7	1.3
Lottery	39.0	-3.8	130.0	11.6	169.0	7.6
Other	94.5	-2.4	377.2	-2.4	471.7	-2.4
Total General Fund	**1,561.2**	**0.8**	**5,159.3**	**1.0**	**6,720.5**	**1.0**

Table 6
Road Fund: Interim Forecast
(millions of dollars)
The Following Table is Produced in Compliance with KRS 48.400
October 2001

	FY02 Quarter 1		FY02 Quarters 2, 3, & 4		FY02 Full Year	
	Actual	% Chg Year Ago	Interim Estimate	% Chg Year Ago	Interim Estimate	% Chg Year Ago
Motor Fuels & MF Use/Surtax	109.4	-2.6	318.7	2.2	428.1	0.9
Motor Vehicle Usage & Rental	102.0	-2.0	291.6	-0.4	393.6	-0.8
License & Privilege (excl. WD)	17.8	-5.5	80.0	8.7	97.8	2.4
Weight Distance Tax/Surtax	19.1	-1.5	55.5	-0.4	74.6	-0.7
Toll Income	3.5	16.5	9.3	-1.1	12.8	3.2
Other	10.0	-7.2	22.9	-56.2	32.9	-82.4
Road Fund	**261.7**	**-2.5**	**778.1**	**-2.2**	**1,039.8**	**-2.3**

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APPENDIX

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KENTUCKY STATE GOVERNMENT REVENUE - GENERAL FUND REVENUE

	First Quarter 2001 - 2002	First Quarter 2000 - 2001	% Change
TOTAL GENERAL FUND	$1,561,241,250	$1,548,223,886	0.8
Tax Receipts	1,500,911,675	1,477,753,589	1.6
Sales and Gross Receipts	618,571,964	597,075,803	3.6
Beer Consumption	1,679,554	1,779,482	-5.6
Beer Wholesale	9,567,702	8,990,827	6.4
Cigarette	3,606,146	3,545,708	1.7
Distilled Spirits Case Sales	20,375	20,176	1.0
Distilled Spirits Consumption	2,035,777	2,011,598	1.2
Distilled Spirits Wholesale	3,634,217	3,500,587	3.8
Insurance Premium	17,488,414	16,870,653	3.7
Pari-Mutuel	905,952	1,143,577	-20.8
Race Track Admission	97,345	101,188	-3.8
Sales and Use	577,704,045	557,371,880	3.6
Wine Consumption	415,769	405,563	2.5
Wine Wholesale	1,416,668	1,334,562	6.2
License and Privilege	**62,895,734**	**55,097,112**	**14.2**
Alc. Bev. License Suspension	91,800	71,650	—-
Coal Severance	42,065,056	34,746,709	21.1
Corporation License	13,593,589	12,890,787	5.5
Corporation Organization	16,471	77,692	-78.8
Occupational Licenses	67,000	58,091	15.3
Oil Production	775,725	923,457	-16.0
Race Track License	(173,177)	138,500	-225.0
Bank Franchise Tax	(1,199,162)	(535,255)	—-
Driver License Fees	129,714	85,833	51.1
Minerals Severance	3,480,427	3,589,664	-3.0
Natural Gas Severance	4,048,293	3,049,983	32.7
Income	**755,580,602**	**768,379,296**	**-1.7**
Corporation	72,529,982	87,128,532	-16.8
Individual	683,050,620	681,250,764	0.3
Property	**38,816,430**	**37,502,042**	**3.5**
Bank Deposits	3,951	-	—-
Building & Loan Association	50,800	158,757	-68.0
Distilled Spirits	67,677	-	—-
General - Intangible	432	(212,984)	—-
General - Real	(316,792)	(166,763)	90.0
General - Tangible	22,008,459	20,116,558	9.4
Omitted & Delinquent	6,895,304	6,699,452	2.9
Public Service	10,091,567	10,866,390	-7.1
Other	15,032	40,631	—-
Inheritance	**22,706,920**	**17,341,024**	**30.9**
Miscellaneous	**2,340,025**	**2,358,312**	**-0.8**
Legal Process	892,006	838,447	6.4
T. V. A. In Lieu Payments	1,447,794	1,500,321	-3.5
Other	225	19,544	-98.8
Nontax Receipts	**58,299,208**	**67,297,870**	**-13.4**
Departmental Fees	4,406,099	4,296,666	2.5
PSC Assessment Fee	1,593,347	3,107,797	-48.7
Fines & Forfeitures	9,974,416	10,879,089	-8.3
Lottery	39,000,000	40,530,000	-3.8
Miscellaneous	220,964	7,721	2762.0
Redeposit of State Funds	**2,030,367**	**3,172,427**	**-36.0**

KENTUCKY STATE GOVERNMENT REVENUE - ROAD FUND REVENUE

	First Quarter 2001 - 2002	First Quarter 2000 - 2001	% Change
TOTAL ROAD FUND	**$261,654,342**	**$268,304,449**	**-2.5**
Tax Receipts-	248,308,753	254,682,506	-2.5
Sales and Gross Receipts	211,463,648	216,505,008	-2.3
Motor Fuels Taxes	107,178,254	108,090,641	-0.8
Motor Fuels Use & Surtax	2,196,231	4,182,300	-47.5
Truck Trip Permits (fuel)	97,400	108,550	-10.3
Motor Vehicle Usage	101,991,763	104,123,516	-2.0
License and Privilege	36,845,106	38,177,498	-3.5
Motor Vehicles	14,265,550	15,379,655	-7.2
Motor Vehicle Operators	1,269,907	1,289,718	-1.5
Weight Distance	19,083,073	19,379,460	-1.5
Truck Decal Fees	57,088	53,409	6.9
Other Special Fees	2,169,488	2,075,256	4.5
Nontax Receipts	12,286,299	13,441,579	-8.6
Departmental Fees	3,034,641	3,387,312	-10.4
In Lieu of Traffic Fines	541,195	468,317	15.6
Highway Tolls	3,458,847	2,969,146	16.5
Investment Income	5,125,993	6,440,603	-20.4
Miscellaneous	125,624	176,202	-28.7
Redeposit of State Funds	1,059,290	180,364	487.3